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Attorneys for the Debtors

In re:	:	UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY
SHAPES/ARCH HOLDINGS L.L.C., <u>et</u>	:	CHAPTER 11
<u>al.</u> ,	:	
Debtors.	:	CASE NO. 08-14631(GMB)
	:	

**FIRST INTERIM MONTHLY FEE STATEMENT OF PHOENIX MANAGEMENT
SERVICES, INC., RESTRUCTURING ADVISOR TO THE DEBTORS AND DEBTORS-
IN-POSSESSION, FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD FROM MARCH 16, 2008 THROUGH MARCH 30, 2008**

TO: HONORABLE GLORIA M. BURNS
UNITED STATES BANKRUPTCY JUDGE

This First Interim Monthly Fee Statement for Compensation and Reimbursement of Expenses (the "First Interim Fee Statement") is filed by Phoenix Management Services, Inc. ("Phoenix"), restructuring advisor to Shapes/Arch Holdings L.L.C. and its related debtor entities, the debtors and debtors-in-possession (collectively the "Debtors")¹, requesting compensation and reimbursement of expenses for services provided by Phoenix as restructuring advisor to the

¹ In addition to Shapes/Arch Holdings L.L.C. ("Shapes/Arch"), the following entities, all of which are wholly owned subsidiaries or Shapes/Arch, also filed petitions on the Petition Date (defined below): Shapes L.L.C. ("Shapes"); Delair L.L.C. ("Delair"); Accu-Weld L.L.C. ("Accu-Weld"); and Ultra L.L.C. ("Ultra").

Debtors for the period from March 16, 2008 through March 30, 2008² (the “First Interim Period”).

Background

1. On March 16, 2008 (the “Petition Date”), the Debtors filed their petitions for relief under Chapter 11, Title 11 of the United States Code (the “Bankruptcy Code”).

2. The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to 11 U.S.C. §§ 1107(a) and 1108.

3. No trustee or examiner has been appointed in these cases.

4. An official committee of unsecured creditors (the “Committee”) was appointed on March 31, 2008 and has been actively involved in these cases since that time.

5. By Order dated April 9, 2008, Phoenix was retained to represent the Debtors as its restructuring advisor in this bankruptcy proceeding, effective as of March 16, 2008.

6. On March 18, 2008, the Administrative Order Pursuant To 11 U.S.C. §§ 105(a) and 331 Establishing Procedures For Interim Compensation and Reimbursement of Expenses of Professionals (the “Compensation Procedures Order”) was entered by the Court. Phoenix submits this First Interim Fee Statement for compensation and reimbursement of actual, necessary costs and expenses for its service to the Debtors.

7. Phoenix has not previously submitted a Monthly Fee Statement.

8. During this First Interim Period, Phoenix has been faithfully performing its duties under 11 U.S.C. § 327.

9. The Phoenix professionals who have rendered services in these cases for which Phoenix seeks compensation are reflected on the attached Exhibit “A”, which provides the name

² Phoenix calculates its time on a weekly basis ending on Sundays. Therefore the First Interim Fee Statement is calculated through Sunday, March 30, 2008.

of the professionals that have rendered services in these cases, their hourly rates and amount of time spent by each professional in these cases.

10. In accordance with the Compensation Procedures Order, and as set forth in Local Rule 2016-1 and the Court's General Order Adopting Guidelines Governing Procedures for Payment of Interim Compensation and Reimbursement of Expenses to Professionals, a detailed chronological itemization of the services rendered by each professional during the First Interim Period, calculated by tenths of an hour, is attached hereto as Exhibit "B".

11. During the First Interim Period, Phoenix provided services to the Debtors in the total amount of \$41,385.00.

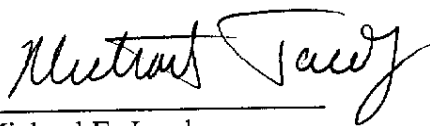
12. Attached hereto as Exhibit "C" is a summary of the actual and necessary expenses incurred. During this First Interim Period, Phoenix incurred actual and necessary expenses in the total amount of \$253.81.

13. Pursuant to the Compensation Procedures Order, Phoenix seeks approval of 80% of the total compensation equal to \$33,108.00 (\$41,385.00 x 80%) and 100% reimbursement of expenses (\$253.81) expended by Phoenix under this First Interim Fee Statement, and for authorization for the Debtors to reimburse Phoenix for same.

WHEREFORE, Phoenix respectfully requests that, for the period from March 16, 2008 through March 30, 2008, a First interim allowance be made to Phoenix in the total amount of \$33,108.00 (\$41,385.00 x 80% total fees incurred during the First Interim Period) for compensation and \$253.81 for reimbursement of actual, necessary costs and expenses and that such amounts be authorized for payment.

Dated: April 23, 2008

PHOENIX MANAGEMENT SERVICES, INC.

By: 
Michael E. Jacoby

Submitted By,

COZEN O'CONNOR

By: /s/ Jerrold N. Poslusny, Jr.

Mark E. Felger

Jerrold N. Poslusny, Jr.

Attorneys for the Debtors

EXHIBIT "A"

NAME OF PROFESSIONAL	TITLE	HOURS	RATE	FEE
1. Albert J. Mink	Director	1.00	\$305.00	\$305.00
2. Gregory Felix	Analyst	4.00	\$155.00	\$620.00
3. Mark A. Karbiner	Vice President	28.60	\$245.00	\$7,007.00
4. Michael E. Jacoby	Managing Director	59.70	\$405.00	\$24,178.50
5. Vincent J. Colistra	Managing Director	22.90	\$405.00	\$9,274.50
TOTAL:		33.00		\$41,385.00

Exhibit B

Phoenix Management Services, Inc.
110 Chadds Ford Commons
Chadds Ford, PA 19317

Detail of Time Charges for Shapes/Arch Holdings, LLC DIP

For the Period: 3/16/08 thru 3/30/08

Entry Number	Employee	Date	Description	Hours	Hourly Rate	Professional Fees
1	MEJ	3/16/2008	Review DIP Motions	1.20	\$ 405.00	\$ 486.00
2	MEJ	3/16/2008	Various phone calls and emails with MF re: DIP orders and carve out	1.10	\$ 405.00	\$ 445.50
3	GF	3/17/2008	Research Liquidation Analyses	4.00	\$ 155.00	\$ 620.00
4	MAK	3/17/2008	Emails re: Cash Flow	0.50	\$ 245.00	\$ 122.50
5	MAK	3/17/2008	Update Cash Flow	3.20	\$ 245.00	\$ 784.00
6	MAK	3/17/2008	Phone calls with VC re: Cash Flow	1.00	\$ 245.00	\$ 245.00
7	MAK	3/17/2008	Update Cash Flow	3.00	\$ 245.00	\$ 735.00
8	MAK	3/17/2008	Phone calls with VC re: Cash Flow	0.50	\$ 245.00	\$ 122.50
9	MAK	3/17/2008	Update Cash Flow	2.30	\$ 245.00	\$ 563.50
10	MAK	3/17/2008	Phone calls with VC re: Cash Flow	0.60	\$ 245.00	\$ 147.00
11	MEJ	3/17/2008	Emails re: Cash Flow	0.10	\$ 405.00	\$ 40.50
12	MEJ	3/17/2008	Discussion with Dave Pichler of Versa re: Liquidation Analysis, etc.	0.40	\$ 405.00	\$ 162.00
13	MEJ	3/17/2008	Phone calls with VC re: Cash Flow	0.10	\$ 405.00	\$ 40.50
14	MEJ	3/17/2008	Review Cash Flow	0.20	\$ 405.00	\$ 81.00
15	MEJ	3/17/2008	Discussion with GF re: comparable liquidation analyses	0.10	\$ 405.00	\$ 40.50
16	MEJ	3/17/2008	Analyze detailed monthly expenses for each operating entity	2.80	\$ 405.00	\$ 1,134.00
17	MEJ	3/17/2008	Discussions with KR re: Availability	0.30	\$ 405.00	\$ 121.50
18	VJC	3/17/2008	Work on 13 week DIP cash flow to be submitted to the court for the DIP hearing 3/18	11.00	\$ 405.00	\$ 4,455.00
19	VJC	3/17/2008	Conference call with the lawyers for Versa, the banks and the debtor to review the 13 week DIP cash flow and get comments on the model.	0.50	\$ 405.00	\$ 202.50
20	MEJ	3/18/2008	Attend court hearing and meetings/discussions before, during and after	7.70	\$ 405.00	\$ 3,118.50
21	MEJ	3/18/2008	Multiple discussions and emails with PS, ZK, DP, BQ re: 1st day funding, Arcus availability, and bbase	1.20	\$ 405.00	\$ 486.00
22	MEJ	3/18/2008	Discussion with Felger re: Feasibility	0.20	\$ 405.00	\$ 81.00
23	MEJ	3/18/2008	Discuss availability with PS	0.20	\$ 405.00	\$ 81.00
24	MEJ	3/18/2008	Review Arcus funding requirements	0.20	\$ 405.00	\$ 81.00
25	VJC	3/18/2008	Prep for Testimony of the DIP Interin Financing order with Debtor's counsel	2.00	\$ 405.00	\$ 810.00
26	VJC	3/18/2008	Discussion w/M. Jacoby re Liquidation Analysis	0.70	\$ 405.00	\$ 283.50
27	VJC	3/18/2008	Attend court hearing and meetings/discussions before, during and after	7.70	\$ 405.00	\$ 3,118.50
28	MEJ	3/19/2008	Discussion with ZK re: funding and availability	0.10	\$ 405.00	\$ 40.50
29	MEJ	3/19/2008	Discussion with PS re: funding and availability	0.10	\$ 405.00	\$ 40.50
30	MEJ	3/20/2008	Template for fee application	0.40	\$ 405.00	\$ 162.00
31	MEJ	3/20/2008	Review liquidation analyses from other cases	0.40	\$ 405.00	\$ 162.00
32	MEJ	3/20/2008	Discussion with PS re: vendors	0.30	\$ 405.00	\$ 121.50
33	MEJ	3/20/2008	Discussion with PS and MF re: Liquidation Analysis	0.60	\$ 405.00	\$ 243.00
34	MEJ	3/20/2008	Begin Liquidation Analysis	1.40	\$ 405.00	\$ 567.00
35	MEJ	3/20/2008	Continue work on Liquidation Analysis	1.80	\$ 405.00	\$ 729.00
36	MEJ	3/20/2008	Discussion with Versa re: Liq Analysis	0.40	\$ 405.00	\$ 162.00
37	MEJ	3/20/2008	Discussion with Dave Gollin re: Environmental	0.10	\$ 405.00	\$ 40.50
38	MEJ	3/20/2008	Discussion with PS re: Shapes inventory	0.20	\$ 405.00	\$ 81.00
39	MEJ	3/20/2008	Discussion with MK re: Scorecard	0.40	\$ 405.00	\$ 162.00
40	MEJ	3/21/2008	Continue work on Liquidation Analysis	1.90	\$ 405.00	\$ 769.50
41	MEJ	3/21/2008	Review Dovebid and Cushman & Wakefield Appraisals	0.30	\$ 405.00	\$ 121.50
42	MEJ	3/21/2008	Continue work on Liquidation Analysis	3.10	\$ 405.00	\$ 1,255.50
43	MEJ	3/21/2008	Continue work on Liquidation Analysis	1.70	\$ 405.00	\$ 688.50
44	MEJ	3/22/2008	Continue work on Liquidation Analysis	0.80	\$ 405.00	\$ 324.00
45	MEJ	3/22/2008	Continue work on Liquidation Analysis	1.90	\$ 405.00	\$ 769.50
46	MEJ	3/23/2008	Continue work on Liquidation Analysis	2.80	\$ 405.00	\$ 1,134.00
47	AI Mink	3/24/2008	Prepare a detailed follow up schedule for client needed to prepare ammended schedules and SOFA	1.00	\$ 305.00	\$ 305.00
48	MAK	3/24/2008	Begin cash flow scorecard	3.50	\$ 245.00	\$ 857.50
49	MAK	3/24/2008	Revise cash flow scorecard	2.00	\$ 245.00	\$ 490.00
50	MAK	3/24/2008	Review cash flow scorecard with Mr. Sorensen	1.00	\$ 245.00	\$ 245.00
51	MAK	3/24/2008	Revise cash flow scorecard	2.50	\$ 245.00	\$ 612.50
52	MEJ	3/24/2008	Finalize 1st draft if Liquidation Analysis	4.70	\$ 405.00	\$ 1,903.50

Exhibit B

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Chadds Ford, PA 19317

Detail of Time Charges for Shapes/Arch Holdings, LLC DIP

For the Period: 3/16/08 thru 3/30/08

Entry Number	Employee	Date	Description	Hours	Hourly Rate	Professional Fees
53	MEJ	3/24/2008	Review Scorecard template with MK	0.10	\$ 405.00	\$ 40.50
54	MEJ	3/24/2008	Discuss Scorecard Issues with PS	0.20	\$ 405.00	\$ 81.00
55	MEJ	3/24/2008	Review Liquidation Analysis with PS	1.10	\$ 405.00	\$ 445.50
56	MEJ	3/24/2008	Incorporate PS comments in Liq Analysis	1.40	\$ 405.00	\$ 567.00
57	MEJ	3/24/2008	Discuss/review avail and scorecard with PS and MK	0.30	\$ 405.00	\$ 121.50
58	MAK	3/25/2008	Begin rolling 13-week cash flow scorecard	4.00	\$ 245.00	\$ 980.00
			Review rolling 13-week cash flow scorecard with Mr.			
59	MAK	3/25/2008	Sorensen	1.20	\$ 245.00	\$ 294.00
60	MAK	3/25/2008	Revise rolling 13-week cash flow scorecard	3.30	\$ 245.00	\$ 808.50
61	MEJ	3/25/2008	Review SOFA and Schedules "To Do" List	0.40	\$ 405.00	\$ 162.00
62	MEJ	3/25/2008	Review and Discuss Scorecard	0.40	\$ 405.00	\$ 162.00
			Conference call with MF and SG re: Liquidation			
63	MEJ	3/25/2008	Analysis	1.70	\$ 405.00	\$ 688.50
			Reviewed updated 13 week DIP cash flow and Score			
64	VJC	3/25/2008	Card for first week	0.50	\$ 405.00	\$ 202.50
65	VJC	3/25/2008	Reviewed Liquidation analysis for M. Jacoby	0.50	\$ 405.00	\$ 202.50
66	MEJ	3/26/2008	Comments from VC on Liq Analysis	0.30	\$ 405.00	\$ 121.50
67	MEJ	3/26/2008	Comments from SG on Liq Analysis	0.70	\$ 405.00	\$ 283.50
68	MEJ	3/26/2008	Conference Call with Versa re: Liq Analysis	1.00	\$ 405.00	\$ 405.00
69	MEJ	3/26/2008	Conversation with Paul re: Financial Forecast	0.40	\$ 405.00	\$ 162.00
70	MEJ	3/26/2008	Additional comments from SG on Liq Analysis	1.10	\$ 405.00	\$ 445.50
71	MEJ	3/26/2008	Begin Updating Liq Analysis	1.50	\$ 405.00	\$ 607.50
72	MEJ	3/26/2008	Discussion with MF and PS re: Schedules and SOFAS	0.40	\$ 405.00	\$ 162.00
73	MEJ	3/26/2008	Discussions with Paul and Dave re: checks, Ultra	0.30	\$ 405.00	\$ 121.50
			Review Dovebid Inventory Appraisal - Shapes, Delair,			
74	MEJ	3/27/2008	Ultra	1.70	\$ 405.00	\$ 688.50
75	MEJ	3/27/2008	Review Dovebid Inventory Appraisal - AW	0.30	\$ 405.00	\$ 121.50
76	MEJ	3/27/2008	Analyze a/r liquidation - other cases	0.20	\$ 405.00	\$ 81.00
77	MEJ	3/27/2008	Update liquidation analysis	5.20	\$ 405.00	\$ 2,106.00
78	MEJ	3/28/2008	Review PS forecast; provide comments	0.80	\$ 405.00	\$ 324.00
79	MEJ	3/28/2008	Review PS follow-up to Liq Analysis questions	0.30	\$ 405.00	\$ 121.50
80	MEJ	3/28/2008	Update with MF	0.10	\$ 405.00	\$ 40.50
			Finalize 1st draft of Liquidation Analysis for			
81	MEJ	3/29/2008	Supplemental Plan	0.60	\$ 405.00	\$ 243.00
Total - 1st Fee Application				116.20		\$ 41,385.00

EXHIBIT "C"

SUMMARY OF DISBURSEMENTS	
DISBURSEMENTS	AMOUNT
Telephone	
Mileage (430 miles at \$0.505 per mile)	217.15
Tolls	18.00
Parking	6.50
Meals	12.16
DISBURSEMENT TOTAL	\$ 253.81